

Expenditure Guidelines

The purpose of this document is to provide an overview of guidelines that MassArt staff, responsible for the expenditure of funds, need to know. This overview should answer most of your questions.

Also included are guidelines from HR for hiring people to work in your department.

If you do not see an answer to your question in these pages, please contact **Larry Levison, Assistant Director of Accounting Services, Lucas Dean, Associate Director of Purchasing, or Jim McDaid, Director of Administrative Services**, for additional guidance. Each page has contact information for help in that particular department.

Before getting started, there are a few things you should know:

- College funds used for expenditures are supplied primarily from tuition and fees paid by our MassArt students. We want to be prudent with the use of their money.
- Expenditures of college funds are subject to the procedures and rules of the College, the Commonwealth of Massachusetts and the IRS.
- All purchasing procedures on the following pages are the same regardless of the source of funds (e.g. regular Operating Budget, PCE, Dorm, Fund-28, grants, etc.)
- All forms are available on the MassArt Intranet under Accounting Services – Forms or Purchasing – Forms.
- All forms must be filled out completely. Partially completed forms may be returned for completion which could hold up processing.
- The Student ID or Vendor ID number should be used on all forms in place of the Social Security number. Social Security numbers should only appear on the W-9 form or Payroll forms as provided by Human Resources.

On the following pages **TFC = Trust Fund Custodian**

There are three ways items can be purchased for the College.
They are through the use of:

Purchase Order
Payment Request
Procurement Card

After the first page of General Purchasing Guidelines, there is a page devoted to each method.

General Expenditure Guidelines

PURCHASING

- No person is authorized to obligate the college without encumbering (having a PO issued) in advance, sufficient funds to meet the obligation. The college does not accept responsibility for unauthorized purchases.
- All purchasing procedures are the same regardless of the source of funds (e.g. regular Operating Budget, PCE, Dorm, Fund-28, grants, etc.)
- College funds can only be requested by authorized account signatories, Trust Fund Custodians (TFC), who insures that funds are available and that the request is submitted using the Purchase Order process. No one else can obligate the College.
- Any expenditure, regardless of size, must be made through the Purchase Order format. Purchase Orders commit college funds. Purchasing will advise if a Purchase Order is not necessary.
- The President and Associate Vice President of Administration are the only people authorized to enter into a contract on behalf of the College.
- The College is tax-exempt and therefore does not have to pay sales tax (The tax exempt number is available on the MassArt intranet, directly from Accounting Services, and is printed on the P-card). Copies are acceptable to vendors.
- Bills to be paid BY MassArt must show the item was sold TO MassArt, not to an employee as a representative of MassArt.
- Expenses must be charged to both the department and fiscal year in which they occur.
- All items purchased must be received or services rendered must be completed by June 30th of the fiscal year. No pre-payments can be made for expenses for the next fiscal year.
- All authorization signatures must be in **BLUE** ink.

HIRING

- A Service Requisition Form must be completed and approved before hiring anyone for more than \$300 or for a project that will last longer than one day.
- Hiring contract employees - as determined by the Commonwealth of Massachusetts Three Part Test, M.G.L. c. 149, s. 148B.
- All new individuals rendering a service to the college must fill out a W-9 form which should then be attached to a payment request. If the individual will be paid through Payroll, they must complete a New-Hire package available in the Human Resources Office.

CHARTWELLS & MEALS

- Chartwells is the official food service provider for the College. This means they have first right of refusal on all catered events.
- All Chartwells purchases over \$499 should be on Purchase Orders. For orders under \$500, see separate Chartwells Purchasing Policy.
- College funds may be used for meals only when they are part of a meeting or when an individual faculty or staff member is traveling. Receipts and invoices for meals of non-travelers (business meal) must include the reason for the meeting, a list of who attended, and the benefit to MassArt. The Restaurant/Food Documentation Form is to be used for this purpose.

Purchasing Cautions (No – No’s)

- No one may approve a reimbursement to themselves.
- No reimbursement may be made to groups/non-profits/companies different from the individual who made the purchase even if that entity is related to (or owned by) the individual.
- No business may be conducted between the College and any company owned or controlled by a College employee or a company in which a College employee has a financial or familial interest or a family member without the express written consent of the Executive Vice President PRIOR to entering into a business relationship.
- Reimbursement cannot be made for any alcoholic purchases, including business meals, with the exception of exhibition and gallery openings with the approval of the area V.P.
- Purchasing of gift certificates or gift cards is prohibited
- Cash payments for services or commodities of any kind are prohibited
- The College cannot pay for donations or contributions regardless of source of funds.
- Full-time employees may not receive compensation over and above their regular salary for any activity that is not teaching or teaching related regardless of the source of funds.
- The College does not pay for individual memberships, only institutional memberships. If the organization does not have an institutional member category, the individual membership must be transferable.
- The College cannot prepay for anything.
- Bills for services cannot be paid before the completion and acceptance of those services.
- Purchases for MassArt may not be delivered to any address other than the school without express written consent from the TFC or area VP.

Other Things to Know

- A Request for Travel Form must be approved and on file in Accounting Services PRIOR to traveling. This is a Commonwealth of Massachusetts requirement. It also ensures that the traveler's health insurance travels with them. Travel reimbursements cannot be processed without a Request for Travel Form on file.
- Any revenue set or collected by the College must be approved by the Board of Trustees.
- It is against school policy for any department to hold cash or checks in their department for any reason. Cash and checks should be hand-delivered to the Business Office before the close of business each day.
- The distribution and control of keys should be handled by Facilities not by individual departments or studio managers.
- Any bills for services sent out from MassArt should come from Accounting Services. Give all details to Larry Levison and he will send out the bill for you.
- Any tangible asset (e.g. equipment) paid for by the College becomes the property of the College.

Purchase Order Guidelines

- A completed Purchase Requisition Form must be submitted to the Purchasing office to obtain a Purchase Order.
- Any Purchase Requisition over \$5,000 must have three signatures (TFC, area VP, and Assoc. VP of Administration).
- Any intended purchase over \$5,000 must be put out for bid by the Purchasing Office.
- If you receive the invoice in your department, sign your approval on the invoice and forward it to the Purchasing office.
- Invoices over \$5,000 must be approved by TFC, area VP, and Assoc. VP of Administration.
- Forms must be dated in the following order:
Purchase Requisition – Purchase Order – Receiving Document – Invoice
- **Purchase Order questions should be directed to Jim McDaid (x7960) or Lucas Dean (x7935)**

Payment Request Guidelines

- The Payment Request Form is merely a cover sheet for an invoice. It may not be submitted alone.
- Payment Requests should be limited to subscriptions, institutional memberships, conference registrations, visiting artists (see Service Requisition under Purchasing Guidelines), and small incidental reimbursements.
- ORIGINAL invoices or receipts must be attached to the Payment Request Form. Copies of invoices or receipts are not acceptable. **Restaurant receipts must be the itemized receipt, not the credit card receipt.** A credit card statement is not an acceptable invoice, but it is an acceptable proof of payment (see next bullet.)
- Bills submitted for reimbursement must show as being fully paid. If not, proof of payment must be submitted along with the bill.
- Reimbursement may only be paid to the entity that made the original purchase. (e.g. John Brown may not be reimbursed for a credit card receipt of Mary Smith-Brown)
- Payment for products or services can only be paid to the entity whose name appears on the Invoice or letterhead. (e.g. an invoice from ABC Company that says "Please make payment to Suzie Smith" cannot be paid to Suzie Smith, only to ABC Company.)
- Employees may not be reimbursed for purchases made by their own company.
- Payments for food purchases (both restaurants and supermarkets) must include a completed Restaurant/Food Documentation Form. (individual meals while traveling are excluded)
- Payment Requests for visiting artists must contain either an invoice from the artist or a properly completed MassArt Artist/Lecturer Standard Invoice
- Invoices to be split between two or more departments should be submitted on a single Payment Request Form. The Payment Request Form must indicate the departmental splits and be approved by all department TFCs affected.
- Reimbursement Payment Requests must be submitted within 30 days of purchase.
- All reimbursement Payment Requests must be submitted by June 30th of the current fiscal year.
- Completed Payment Requests with all required documents attached should be sent to Accounting Services.
- Reimbursements for travel expenses should be submitted on a Travel Expense Voucher Form.
- **Payment Request questions should be directed to Larry Levison (x7898)**

Reimbursement Guidelines

1. New vendors should complete and sign a W-9 form.
2. Reimbursement requests should include a completed Payment Request Form approved by the Trust Fund Custodian of the cost center providing the reimbursement.
3. **Original** itemized receipts documenting reimbursement amounts must be attached to the Payment Request. Copies of receipts are not acceptable. **Restaurant receipts must be the itemized receipt, not the credit card receipt.**
4. Requests for reimbursement must be made within 30 days of the original purchase.

Non-reimbursable items:

- Gift cards/certificates
- Any alcoholic purchases either individual drinks or bottles
- Cash payments to individuals for services or commodities
- Donations or contributions
- Individual memberships
- Any item not purchased by the person requesting the reimbursement (e.g. we cannot reimburse John Doe for something that was purchased by his company, John Doe & Associates, Inc.)

Procurement Card Guidelines

The Procurement Card (P-card) is a College owned credit card to be used solely for College related purchases. Since using the P-card fulfills both the purchasing AND payment processes, additional scrutiny is applied to these purchases.

- Please see the Procurement Card Procedures Manual for complete instructions on its use.
- The P-card may not be used for any personal purchases.
- The cardholder is responsible for all transactions on his/her P-card.
- All purchases must be coded on the SDOL website NO LATER than the first day of each month.
- Original invoices must be attached to the P-card statement prior to submitting it to Accounting Services. (Computer printouts for purchases made online are acceptable.)
- P-card may not be used for purchases of any restricted commodities or payment of services by individuals.
- All purchases must be shipped to MassArt unless previously approved by your area V.P.
- Purchases made for a department other than your own must be approved in writing, prior to making the purchase, by the TFC of that department.
- The TFC must ensure that all purchases on the card do not exceed available funds in the departmental budget.
- It is the cardholder's responsibility to account for returns or necessary adjustments
- P-card statement must be signed by both the cardholder and the TFC (if different from cardholder.) (Unusual circumstances may also require VP approval.)
- P-card statement, invoices and approval signatures must be submitted to Accounting Services by the 15th of the month following the month of purchases.
- **Questions on the proper use of the P-card should be directed to Jim McDaid (x7960) or Lucas Dean (x7935).**
- **Questions on required documentation should be directed to Grace Jarmman (x7892).**

Payroll and Timesheet Guidelines (both Trust Fund and Work study)

- All employees must have completed new-hire paperwork before work can begin.
- Timesheets need to be completed in full **before** being submitted for processing.
- Timesheets require three (3) approval signatures. (Timesheets will be returned if any required signatures are missing.)
 - a. Employee signature certifies the time they worked.
 - b. Supervisor signature verifies the time the employee worked.
 - c. Trust Fund Custodian certifies availability of funds in the departmental budget.
- Timesheets must contain the week ending date entered for each week on the timesheet (Please use the Wednesday date of the week worked.)
- Trust Fund timesheets must have a general ledger account number (see General Ledger Coding section below.)
- Employees must have a current Trust Fund Temporary Employee Authorization Form for **each job being worked**.
(A separate Trust Fund Temporary Employee Authorization Form is necessary for work being done and/or paid from different departments or general ledger account numbers.)
- Trust fund timesheets must be received in Human Resources by 10:00am Thursday to be included in the next payroll cycle (every two weeks.)
- Work study timesheets must be turned into Financial Aid by noontime Wednesday to be included in the next payroll cycle (every two weeks.)
- Payroll checks will be available for pick up in Human Resources on Fridays and until 2pm the following Monday. All remaining checks, except those with dorm addresses will be mailed after 2:00pm. Checks with dorm addresses are held for pick up in the Human Resources Office.
- Trust Fund Payroll calendars are available in the Human Resources Office.
Work Study Payroll calendars are available in the Financial Aid Office.

General Ledger Coding of Trust fund timesheets (work study timesheet do not need a GL code)

1. Note Payroll general ledger account numbers are formatted as follows
XX – XXX – XXXX – 9 – CCCXX
Examples: 21 – CST – 5555 – 9 – CCC05 or 31 – PCE – 7777 – 9 – CCC09
2. Object code classifications (the last 5 digits)
 - CCC01** – used for teaching or teaching related duties
 - CCC05** – used for undergraduate student employees
 - CCC06** – used for graduate student employees
 - CCC09** – used for work that does not fall into one of the above categories
3. Students should always be classified as CCC05 or CCC06 regardless of the tasks they are performing.
4. A non-student employee that is teaching should be classified as CCC01.
5. Anyone outside of these categories should be classified as CCC09.

- **Payroll and timesheet questions should be directed to Patricia Wilson (x7907) or Valerie Gilliard (x7909).**